

SENATE BILL No. 511

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-2.1-4.

Synopsis: Mandated health benefits commission. Establishes the mandated health insurance evaluation commission for three years under the direction of the legislative council. Directs the commission to study and collect information concerning the social, medical, and financial aspects of legislative proposals that include a mandate for health insurance coverage. Directs the legislative services agency to post the reports and other documents approved by the commission on the Internet, and to include a reference to relevant commission approved documents in related fiscal impact statements.

Effective: July 1, 2002.

Kenley

January 14, 2002, read first time and referred to Committee on Rules and Legislative Procedure.

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Introduced

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

SENATE BILL No. 511

A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 2-2.1-4 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2002]:

4 **Chapter 4. Mandated Health Insurance Services Evaluation**
5 **Sec. 1. As used in this chapter, "commission" means the**
6 **mandated health insurance services evaluation commission**
7 **established by section 3 of this chapter.**

8 **Sec. 2. As used in this chapter, "mandated health insurance**
9 **service" means a legislative proposal that:**

10 (1) **requires coverage, or requires offering of coverage, for the**
11 **expenses of specified services, treatments, diseases, or lengths**
12 **of stay under any policy, contract, plan, or other arrangement**
13 **providing sickness and accident or other health care benefits**
14 **to policyholders, subscribers, members, or other**
15 **beneficiaries; or**
16 (2) **requires direct reimbursement, or requires a specific**
17 **amount of reimbursement, of health care providers under any**

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policy, contract, plan, or other arrangement providing sickness and accident or other health care benefits to policyholders, subscribers, members, or other beneficiaries.

Sec. 3. The mandated health insurance services evaluation commission is established to assess the social, medical, and financial impacts of proposed mandated health insurance services.

Sec. 4. (a) The commission consists of fourteen (14) members appointed as follows:

(1) Two (2) members of the house of representatives, to be appointed by the speaker of the house of representatives. The individuals appointed under this subdivision must be members of different political parties.

(2) Two (2) members of the senate, to be appointed by the president pro tempore of the senate. The individuals appointed under this subdivision must be members of different political parties.

(3) Two (2) members to represent small business, one (1) to be appointed by the speaker of the house of representatives and one (1) to be appointed by the president pro tempore of the senate.

(4) One (1) member to represent the insurance industry, to be appointed by the president pro tempore of the senate.

(5) One (1) member to represent labor, to be appointed by the speaker of the house of representatives.

(6) One (1) member who is employed with an independent actuarial firm, to be appointed by the president pro tempore of the senate.

(7) Two (2) members who are physician providers, one (1) to be appointed by the speaker of the house of representatives and one (1) to be appointed by the president pro tempore of the senate. At least one (1) member appointed under this subdivision shall represent Indiana hospitals.

(8) Two (2) members who are consumers and who are employed, one (1) to be appointed by the president pro tempore of the senate and one (1) to be appointed by the speaker of the house of representatives.

(9) One (1) member or a representative of a consumer advocate group or organization, to be appointed by the governor.

(b) The members of the commission shall elect the commission's chairperson.

Sec. 5. (a) The commission shall meet at least one (1) time each



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1 month.

2 (b) The commission shall meet at the call of the chairperson.

3 (c) Eight (8) members of the commission constitute a quorum.

4 (d) The commission may take a final action upon the approval
5 of eight (8) members of the commission.

6 Sec. 6. (a) Each commission member who is not a state employee
7 is entitled to the minimum salary per diem provided by
8 IC 4-10-11-2.1(b). Such a member is also entitled to reimbursement
9 for traveling expenses and other expenses actually incurred in
10 connection with the member's duties, as provided in the state travel
11 policies and procedures established by the Indiana department of
12 administration and approved by the budget agency.

13 (b) Each commission member who is a state employee is entitled
14 to reimbursement for traveling expenses and other expenses
15 actually incurred in connection with the member's duties, as
16 provided in the state travel policies and procedures established by
17 the Indiana department of administration and approved by the
18 budget agency.

19 Sec. 7. The commission shall operate under the rules of the
20 legislative council. The legislative services agency shall provide
21 administrative support for the commission.

22 Sec. 8. (a) The commission shall collect information concerning
23 mandated health insurance services. The information may include
24 the following:

25 (1) The social impact of the proposed mandate, including the
26 following:

27 (A) The extent to which:
28 (i) the service is used by a significant number of citizens;
29 (ii) insurance coverage for the service is available; and
30 (iii) the service is covered or provided by self-funded
31 employer groups in Indiana that employ at least five
32 hundred (500) employees.

33 (B) If insurance coverage for the service is not generally
34 available, the extent to which the lack of coverage results
35 in:

36 (i) individuals avoiding necessary health care treatment;
37 or

38 (ii) unreasonable financial hardship.

39 (C) The level of the public demand for:

40 (i) the service;
41 (ii) insurance coverage for the service; and
42 (iii) the inclusion of insurance coverage for the service in

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policies, contracts, plans, or other arrangements negotiated through collective bargaining.

(2) The medical impact of the proposed mandate, including the following:

(A) The extent to which the service is generally:

(i) recognized by the medical community as being effective in the treatment of patients;

(ii) recognized by the medical community, as demonstrated by a review of scientific and peer review literature; and

(iii) available and used by treating physicians.

(B) If the proposed mandate would require insurance coverage for:

(i) a particular therapy, the results of at least one (1) professionally accepted controlled trial comparing the medical consequences of the proposed therapy, alternative therapies, and no therapy; and

(ii) an additional class of persons, the results of at least one (1) professionally accepted controlled trial comparing the medical results achieved by the additional class of persons and the persons already covered.

(3) The financial impact of the proposed mandate, including the following:

(A) The extent to which insurance coverage for the service will:

(i) increase or decrease the cost of the service;

(ii) increase or decrease the appropriate use of the service;

(iii) be a substitute for a more expensive service; and

(iv) increase or decrease the administrative expenses of insurers and the premiums and administrative expenses of policyholders, subscribers, members, or other beneficiaries under policies, contracts, plans, or other arrangements.

(B) The effect of the mandate, including any disproportionate impact in particular regions or industries, on consumers, workers, and small businesses, including the effect of the mandate on the following:

(i) Consumer prices and the supply of goods and services in consumer markets.

(ii) Worker wages, worker benefits, and employment opportunities.

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(iii) Hiring practices, expansion, and profitability of businesses, including the hiring practices, expansion, and profitability of businesses with not more than one hundred (100) employees.

(C) The effect of the insurance coverage for the service on:

(i) the total cost and availability of health care in Indiana; and

(ii) employers' ability to purchase health insurance policies meeting their employees' needs.

(b) The commission may have prepared an actuarial analysis of each mandated health insurance service described in subsection

(a). The actuarial analysis must:

(1) be prepared by or under the supervision of an actuary;

(2) be completed in accordance with the actuarial standards of practice adopted by the Actuarial Standards Board of the American Academy of Actuaries; and

(3) include at least the following:

(A) A summary of the mandated health insurance service.

(B) A description or reference to the actuarial assumptions and actuarial cost methods used in the analysis.

(C) A statement of the financial impact of the proposed mandated health insurance service on public and private insurance markets.

(c) All reports of the commission shall be posted on the Internet by the legislative services agency. In addition, the commission may vote to have a document from any credible source posted on the Internet if the document includes relevant information concerning mandated health insurance services.

Sec. 9. In preparing a fiscal analysis of a proposed bill that includes a mandated health insurance service, the legislative services agency shall include a reference to the electronic mail address of documents placed on the Internet that:

(1) are relevant to the mandated health insurance service; and

(2) were considered and accepted by the commission under section 8 of this chapter.

Sec. 10. This chapter expires June 30, 2005.

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